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BEFORE THE
FEDERAL ELECTION COMMISSION

2016 MAY 19 PM 4:32

American Democracy Legal Fund
455 Massachusetts Avenue, N.W.
Washington, DC 20001

OFFICE OF GENERAL

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7070

Complainant,

v.

Representative Paul Ryan
P.O. Box 771
Janesville, WI 53547

Congressional Leadership Fund and Caleb Crosby, Treasurer.
1747 Pennsylvania Avenue NW, 5th Floor
Washington, DC 20006

Respondents.

COMPLAINT

Complainant files this complaint under 52 U.S.C. § 30109(a)(1) against Representative Paul Ryan ("Mr. Ryan"), Congressional Leadership Fund, an independent expenditure-only committee and Caleb Crosby, its treasurer (collectively, "Respondents") for violating the Federal Election Campaign Act of 1971, as amended ("the Act"), as described below.

A recent news report indicates that Mr. Ryan, a federal officeholder and candidate, is controlling an independent expenditure-only committee by hand-selecting and personally offering Mr. Mason Fink a leadership role with Congressional Leadership Fund, in direct violation of federal law. At the same time, Congressional Leadership Fund, an independent expenditure-only committee, has violated the Act as an entity controlled by a federal officeholder and candidate that is soliciting and receiving funds in connection with a federal election outside of the limitations, prohibitions, and reporting requirements of the Act (hereinafter "soft money").

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We urge the Commission to promptly investigate this violations. Without action, Mr. Ryan and Congressional Leadership Fund will set harmful precedent that would allow federal officeholders and candidates to direct and control a soft money entity.

A. FACTS

Mr. Ryan currently serves as an elected United States Representative and Speaker of the United States House of Representatives.¹ He is also a candidate for federal office, seeking re-election to his House of Representatives seat in 2016.² Congressional Leadership Fund is an independent expenditure-only committee formed on October 21, 2011³ with the purpose of "protecting and strengthening the Republican Majority in the House of Representatives."⁴ The fund makes independent expenditures in support of Republican congressional candidates such as Mr. Ryan.

A news reports from April 27, 2016 indicates that, while serving as a federal officeholder and candidate, Mr. Ryan "personally approached" Mr. Mason Fink, a Republican advisor and personal friend of Mr. Ryan, to ask him to "take the job" of director of fundraising for Congressional Leadership Fund, an independent expenditure-only committee.⁵ The report alleges that Mr. Fink and Mr. Ryan "forged a friendship during the 2012 campaign, when Ryan served as Romney's vice presidential nominee" and that "Speaker Ryan got to know Mason very well during the 2012 campaign and thinks highly of him."⁶

B. LEGAL ARGUMENT

The Act prohibits federal officeholders and candidates from establishing, directing, controlling, or soliciting money for an entity that raises or spends soft money, such as an

¹ See PAUL RYAN SPEAKER OF THE HOUSE, <http://www.speaker.gov/> (last visited April 29, 2016).

² FEC Form 2, Statement of Candidacy, Paul Ryan (March 2, 2016), available at <http://docquery.fec.gov/pdf/405/201603029009634405/201603029009634405.pdf>.

³ See FEC Form 1, Statement of Organization, Congressional Leadership Fund (October 21, 2011), available at <http://docquery.fec.gov/pdf/996/11030681996/11030681996.pdf>.

⁴ CONGRESSIONAL LEADERSHIP FUND, <http://www.congressionalleadershipfund.org/about/> (last visited April 29, 2016).

⁵ See Alex Isanstadt, *Congressional super PAC brings on Romney aide to defend House*, POLITICO (April 27, 106), <http://www.politico.com/blogs/2016-gop-primary-live-updates-and-results/2016/04/congressional-super-pac-brings-on-romney-aide-to-defend-senate-222511>.

⁶ *Id.*

independent expenditure-only committee.⁷ Conversely, federal law prohibits an entity established, directed, or controlled by a federal candidate or his agents from receiving and spending soft money.⁸ When the Commission considers whether an officeholder or candidate "controls" an independent expenditure-only committee, it looks at "the overall relationship between the sponsor [candidate] and the entity."⁹ To evaluate the overall relationship, the Commission considers factors such as whether an officeholder or candidate "has the authority or ability to hire, appoint, demote, or otherwise control the officers, or other decision-making employees or members of the entity."¹⁰

A recent news report unmistakably exposes Mr. Ryan exercising control over Congressional Leadership Fund in violation of 52 U.S.C. § 30125(e)(1).¹¹ Commission regulations are explicit that the fact that an officeholder or candidate has the "authority to hire, appoint, demote, or otherwise control the officers or decision-makers" of an independent expenditure-only committee weighs in favor of a finding that the candidate "controls" the committee.¹² Here, not only does Mr. Ryan have the apparent "authority" to hire employees of Congressional Leadership Fund, but he also exercised that authority by formally offering a fundraising position with the independent expenditure-only committee to Mr. Mason Fink. As a current federal officeholder and declared candidate for federal office, Mr. Ryan is prohibited from controlling an independent expenditure-only committee through activity such as hiring its employees. Mr. Ryan violated this clear proscription when he hand-selected and subsequently hired a Congressional Leadership Fund employee.

Similarly, Congressional Leadership Fund has violated 52 U.S.C. § 30125(e)(1) by soliciting, receiving, or spending soft money while controlled by a federal officeholder and candidate. Congressional Leadership Fund supports Republican candidates for federal

⁷ 52 U.S.C. § 30125(e)(1); see FEC Advisory Opinion 2011-21 (Lee).

⁸ 52 U.S.C. § 30125(e)(1).

⁹ 11 C.F.R. § 300.2(c)(2).

¹⁰ *Id.* at § 300.2.

¹¹ See Isanstadt, *supra* note 5.

¹² 11 C.F.R. § 300.2(c)(2)(iii).

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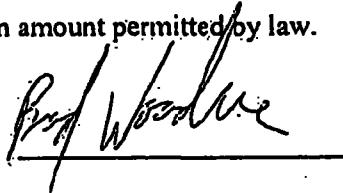
congressional office, such as Mr. Ryan, and Mr. Ryan is controlling the Fund by personally selecting and hiring one of its officers. Consequently, the Fund is barred from engaging in its primary activity and stated purpose;¹³ soliciting, receiving, or spending soft money.

These facts clearly demonstrate that Mr. Ryan has directly violated 52 U.S.C. § 30125(e)(1) by controlling an independent expenditure-only committee while serving as a federal officeholder and candidate. Further, the facts show that Congressional Leadership Fund, an independent expenditure-only committee controlled by a federal candidate, violated 52 U.S.C. § 30125(e)(1) by soliciting, receiving, and spending soft money.

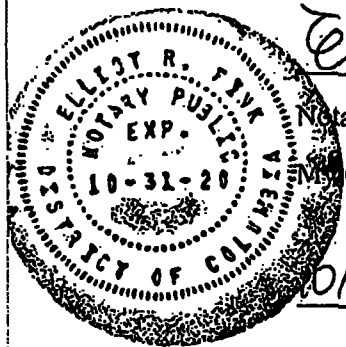
C. REQUESTED ACTION

As we have shown, Mr. Ryan and Respondents have violated the Act by controlling an independent expenditure-only committee and soliciting, receiving, and spending soft money. We respectfully request that the Commission investigate these violations, and that Respondents be enjoined from further violations and be fined the maximum amount permitted by law.

Sincerely,



SUBSCRIBED AND SWORN to before me this 10th day of May, 2016.



Notary Public

My Commission Expires:

10/31/2020

¹³ See Charles Meachum cover letter, FEC Form 1, Statement of Organization, Congressional Leadership Fund (October 21, 2011), available at <http://docquery.fec.gov/pdf/996/11030681996/11030681996.pdf> (stating that [t]his Committee intends to make independent expenditures" in the cover letter preceding its Statement of Organization); see also CONGRESSIONAL LEADERSHIP FUND, <http://www.congressionalleadershipfund.org/about/> (stating that the Fund is an "independent-expenditure super PAC that operates independently of any federal candidate or officeholder").